

**MEETING SUMMARY REPORT**  
**Mobile Area Chamber of Commerce**  
**McGowin Room**  
**451 Government Street, Mobile, AL 36602**

**May 26, 2005**

**Regulatory Enforcement Fairness Hearing**

**Total attendance:** 21

**Congressional attendance** 0

**RegFair Board in attendance** 2

**SBA personnel** 3 (Sorum, Ralph, Hembree)

**Agencies attending** 5(DOL/OSHA; USDA/FSIS; IRS; DOL/OSBP; DOL/Wage & Hour Div.)

**No. of comments** 4

<b>Small Business Organizations</b>	<b>Point of Contact</b>	<b>Membership</b>
Mobile Area Chamber of Commerce	Darrell Randall	3,600
Southern Shrimp Alliance	Michael A. Johnson	2,000
Eat Alabama Wild Shrimp	Michael A. Johnson	1,500
Association of American Railroads Quality Program	Clark Hall, III	250
Car Department Officers Association	Clark Hall, III	250
<b>Total Represented</b>		<b>7,600</b>

**Summary:**

**Testifiers:**

**1. Jeff Hemley (Telephone) – VP, InBop Flip-Flop Co.**

Customs Authority: Mr. Hemley had encountered a problem with taking possession of a shipment of inventory that had arrived in Mobile. He had actually received help getting the problem resolved before the hearing, and was calling in to relate his experience.

## **2. Michael A. Johnson, Owner – J-Built, Inc.**

U. S. Government trade policy: Mr. Johnson believed that the ease with which foreign countries were allowed to send their shrimp to the U. S. was hurting the local shrimp industry, which was in turn having a negative impact on the local shipping industries.

## **3. Company A - (Confidential), written testimony read by Bruce McCrory, board member) – President & CEO, MDGT**

### **Issues:**

1. Better enforcement of SBA regulations on companies such that their procurement office personnel are not intentionally or un-intentionally becoming “barriers to entry” in doing business with their company.
2. There needs to be some regulation/clause/requirement, that prevents large combining or lumping together of contracts or one that requires the contracts to be split or sets a logical size limit to the contract to allow small businesses to compete. In many cases a small company can do several smaller portions of the contract, but if the issuing company is looking for a “one-stop-shop” then the majority of SDB are out of luck. One example is where a contract asked for computer programming but also wanted the winner to provide “virtual reality” training, and there was no mention of assistance with any equipment. I don’t know of many SDB’s with this sort of expensive equip. at hand. I have yet to see my Cardiologist order the new GE VT scanner for his private practice.
3. There needs to be some regulation/clause/requirement that prevents companies from allowing their current small business suppliers from “locking” or becoming too entrenched with a particular customer. With sufficient evidence such situations would be loose partnerships or even subsidiaries and not meeting current SBA regulations. Such cases would be where a company that has repeatedly and or exclusively won small/medium/large contracts for the past 5 years with the same company or holds some unusually heavy dependency on the business from the main customer, or where the major customer accounts for over 30% of all their business, or where the Small Business has assets/equipment/services that serve their main customer specifically.
4. Technical contract sharing issues: For larger contracts it is always common place to see purchase of computers, screws and pencils etc. but not enough of the truly technical contracts that would allow a small business the use of advertised core competencies. Meaning, the best components of a contract seem to always be held, captured or reserved for the large company. Fed biz opps for example majority of the contracts are for procurement of supplies. Where are all the technical contracts?, HL security?, etc.
5. Some regulation set by US SBA that defines acceptable descriptions that companies can use or better sets and defines and matches appropriate contracts titles and descriptions with NACIS (formerly SIC) codes. For example, one company repeatedly publishes their advertisement and marketing contracts under the title and description of “Homeland Security”. This causes lots of confusion and frustration when “non-Homeland Security” related companies win such contracts. Just because a company has a “Homeland Security” department, doesn’t mean that every contract the issue should be titled “Homeland Security”, instead the contract title should be directly related to and reflective of the true scope of work. This would allow a more effective and accurate record for both Gov. agencies and potential bidders of the number of contracts issued in any particular category.
6. More employees are needed for the workers in the Birmingham SBA office. If the enforcement of SBA regulations and the building of Small Businesses are to continue, there needs to be a more representative and appropriate number of agents working to assist the Small Businesses. So far in the Birmingham office, there is only one person handling small business concerns for Alabama. This is unacceptable. If this is the result of cost cutting, all the problems that Small Businesses face will only increase 10 fold if the SBA comities are even considering allowing the major contract holding companies to be responsible for all aspects of Small Business concerns. To turn such a program over to the public would be suicidal to the small business community. Anything other than a federally funded organization would enforce gov. regulations would be foolish.
7. There should be a more equal representation of all races and sexes in the SBA offices. Although not fool proof, this would be a more logical approach to assuring or at least preventing discrimination from occurring in the issuance of gov. certifications, assistance, or funding.

#### **4. Clark Hall, President – Frascati Shops, Inc.**

Mr. Hall's testimony was not directed toward one particular agency. He was concerned in general with regulatory requirements and barriers (both local and federal) that interfere with the continued operation and expansion of an existing business. His company retrofits and refurbishes railway cars. He was also concerned with the ability of small business to access capital. His testimony was more general and anecdotal as opposed to dealing with a concrete issue.